



## CONSTRUCTION BULLETIN

Volume XXIX

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Number 2

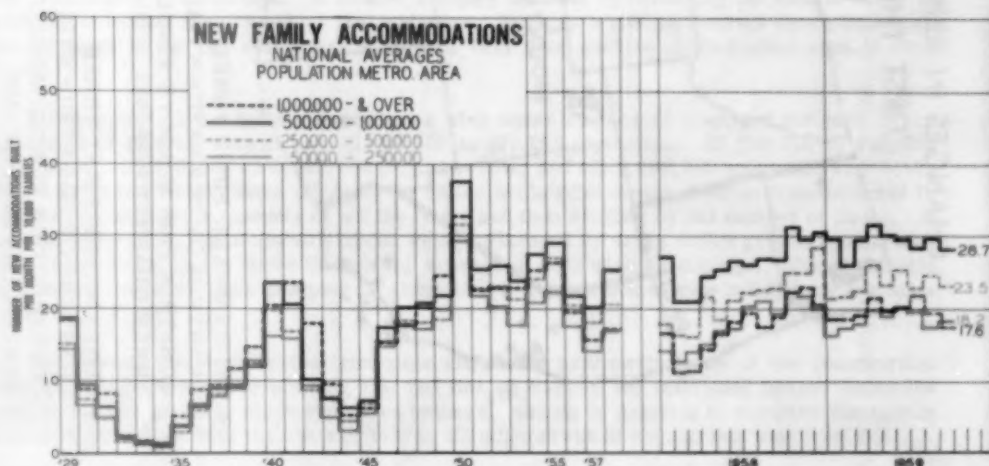
*Real Estate Economists, Appraisers and Counselors*

### THE VOLUME OF RESIDENTIAL CONSTRUCTION

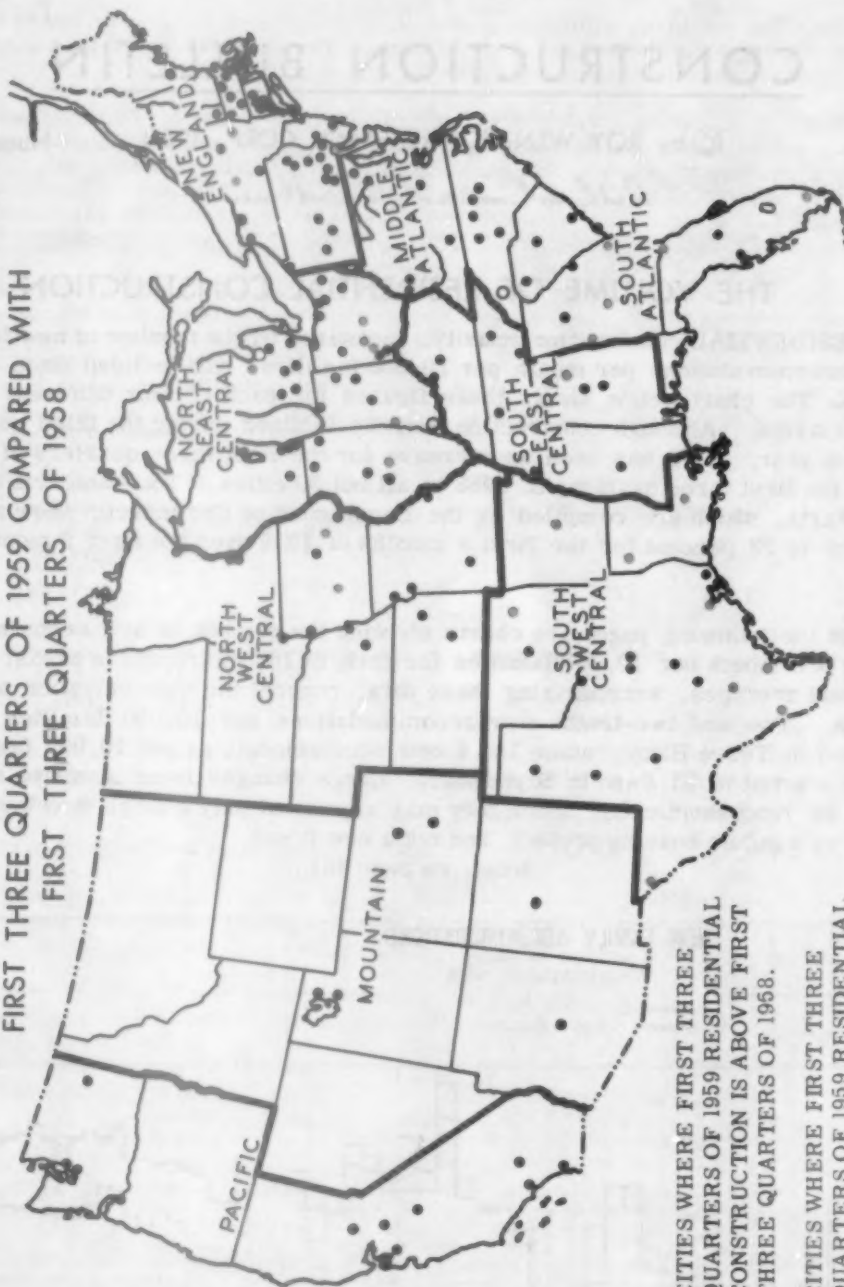
**R**ESIDENTIAL construction activity, measured by the number of new family accommodations per month per 10,000 families, has declined since June. The chart below shows these figures for each of four different city-size classes. Although construction activity declined during the third quarter of last year, there has been an increase for the first three quarters of 1959 over the first three quarters of 1958 in all but 30 cities. Total nonfarm housing starts, which are compiled by the Department of Commerce, show an increase of 23 percent for the first 9 months of 1959 over the first 9 months of 1958.

On the following pages are charts showing the number of new accommodations per month per 10,000 families for each of 168 metropolitan areas. The national averages, summarizing these data, conceal the wide variation among cities. Two and two-tenths new accommodations per 10,000 families were started in Terre Haute, while 133.6 new accommodations per 10,000 families were started in El Paso in September. Large changes from month to month must be read skeptically, since they may represent only a large development, such as a public housing project, and not a new trend.

(cont. on page 48)



# CHANGES IN REPORTED VOLUME OF RESIDENTIAL CONSTRUCTION FIRST THREE QUARTERS OF 1959 COMPARED WITH FIRST THREE QUARTERS OF 1958



- CITIES WHERE FIRST THREE QUARTERS OF 1959 RESIDENTIAL CONSTRUCTION IS ABOVE FIRST THREE QUARTERS OF 1958.
- CITIES WHERE FIRST THREE QUARTERS OF 1959 RESIDENTIAL CONSTRUCTION IS BELOW FIRST THREE QUARTERS OF 1958.

○ NO CHANGE IN FIRST THREE QUARTERS OF 1959 FROM FIRST THREE QUARTERS OF 1958.

## EXPLANATION OF CHARTS

**R**ESIDENTIAL building in all metropolitan areas of the United States as defined by the 1950 Census is charted on the following pages. The 168 areas include all areas in which the central city had a 1950 population of more than 50,000.

In each city all suburbs, incorporated and unincorporated areas, have been contacted and every effort has been made to make this report as complete as possible. In most cities it has been possible to include practically all of the suburbs within the metropolitan area. For example, the New York City and Northeastern New Jersey area figures include the building in 326 suburban communities; the Chicago area includes building in 174 suburban communities; Philadelphia, 198; Detroit, 110; Los Angeles, 61; and Cleveland, 65. In all, more than 2,300 communities are represented in these charts.

On the charts the figures are expressed as the number of new family units started per 10,000 families in each metropolitan area as indicated by building permits. In nonpermit-issuing areas, we requested the tax clerk to report to us the number of dwelling units added to the tax roll each month. In this computation, a single-family dwelling counts 1, a 2-family dwelling counts 2, and a 24-family apartment counts 24. All public housing and war housing projects have been included, along with buildings that were privately built and financed.

The blue italicized numerals on each chart give the number of new family accommodations built in the last 3 months for which figures are available. These are actual figures and are not adjusted for the number of families. The red italicized numerals give the corresponding figures for the corresponding period of a year ago.

It should be noticed on the individual charts that separate averages (medians) have been used for four groupings of metropolitan areas. The average number of new family accommodations built per month per 10,000 families is shown from 1929 to the present for metropolitan areas having from 50,000 to 250,000 people (the solid red line); for areas having from 250,000 to 500,000 people (the beaded red line); for areas having from 500,000 to 1,000,000 people (the dash-dot line); and for those areas having a population of over 1,000,000 (the dashed red line). Ninety-one areas fall into the first category; 44 into the second; 19 into the third; and 14 into the fourth.

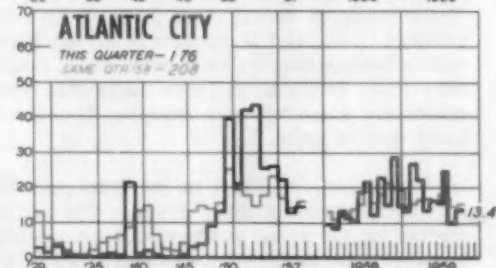
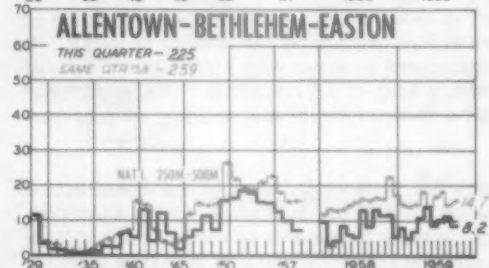
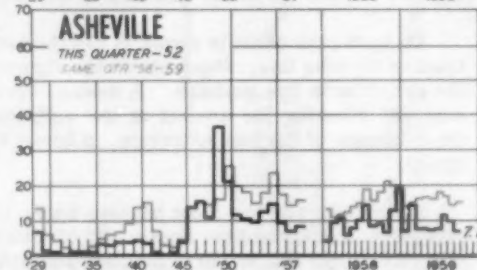
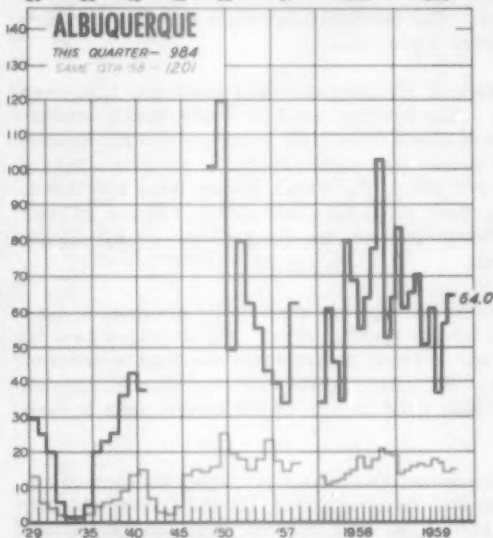
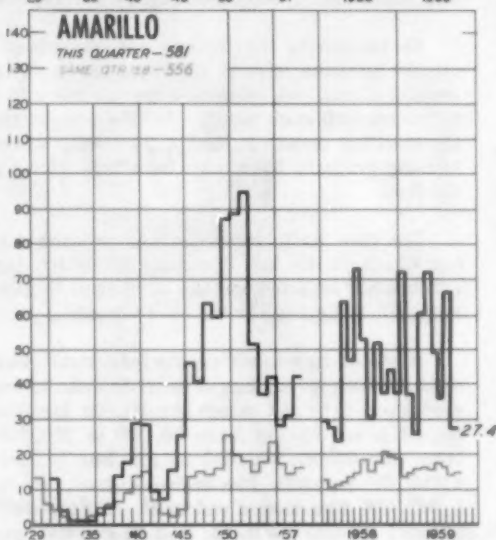
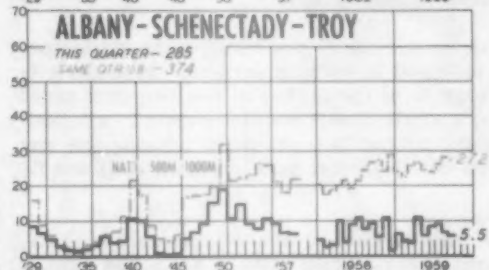
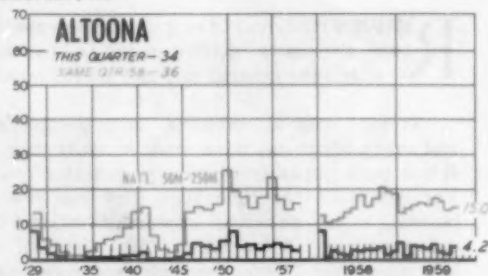
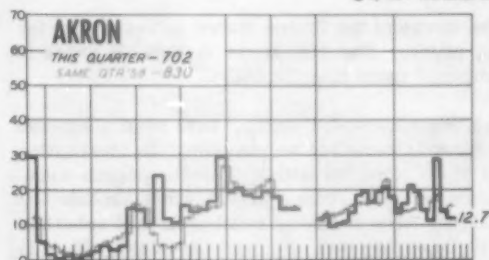
On each area chart is shown in red the national average for areas in its grouping in contrast to the blue line, which shows the figures for the specific area. The averages used on the area charts are medians. A median average is found by arranging the data in order of size and selecting the amount at the midpoint. Because a median average thus eliminates the influence of the two extremes, it gives a very good picture of the typical area in each group.

On the chart on the front page we have also shown national averages for each of the groupings of metropolitan areas: (1) 50,000 to 250,000 population; (2) 250,000 to 500,000 population; (3) 500,000 to 1,000,000 population; and (4) 1,000,000 population and over. These averages should more properly be called arithmetic means. An arithmetic mean is obtained by adding the amounts of all the items and then dividing by the number of items. It will be noticed that the arithmetic mean, being influenced by areas with a greatly accelerated rate of new building, is above the median average of each of the groupings. The arithmetic means are given for each grouping in order that a comparison of new building on a volume basis may be made.

We repeat, the chart on the front page shows the arithmetic mean of the construction rate in the different-sized areas. The red line on each of the individual charts shows the median for the group in which each area belongs, making it possible to compare the rate in one area (blue line) with the average rate of all other areas of comparable size (red line).

# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

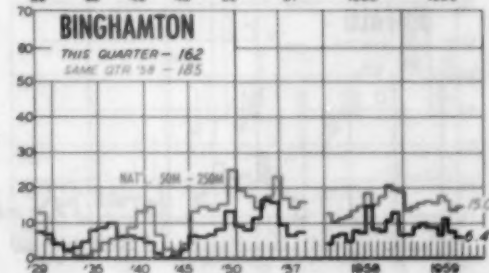
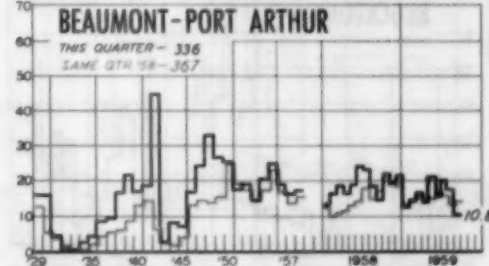
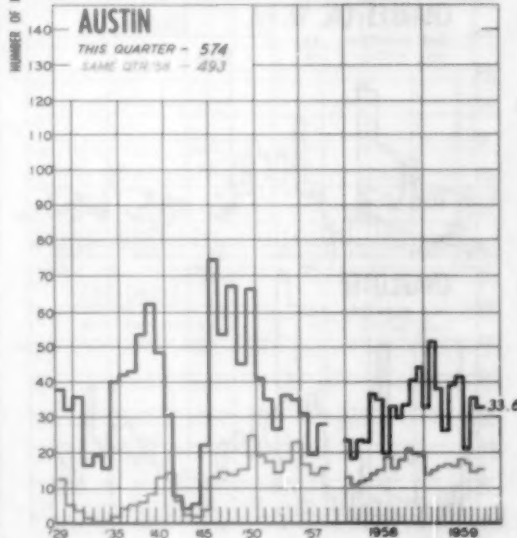
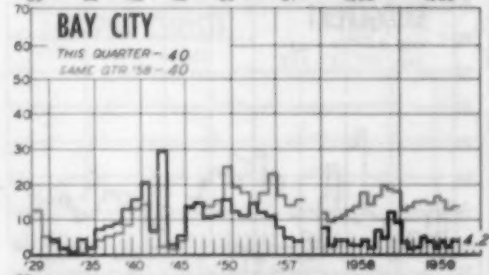
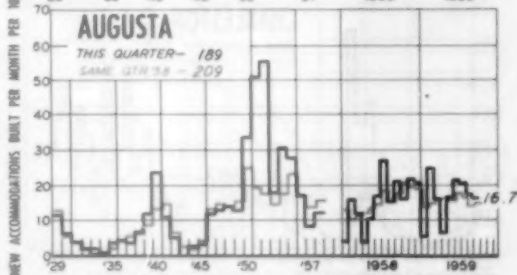
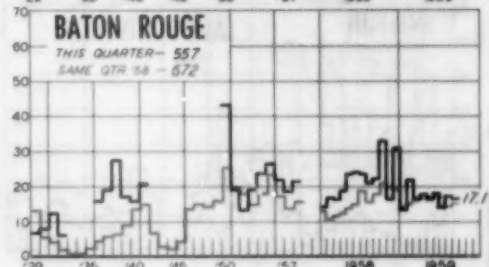
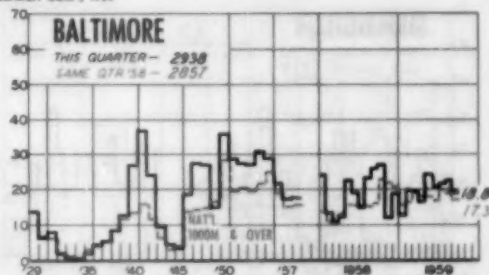
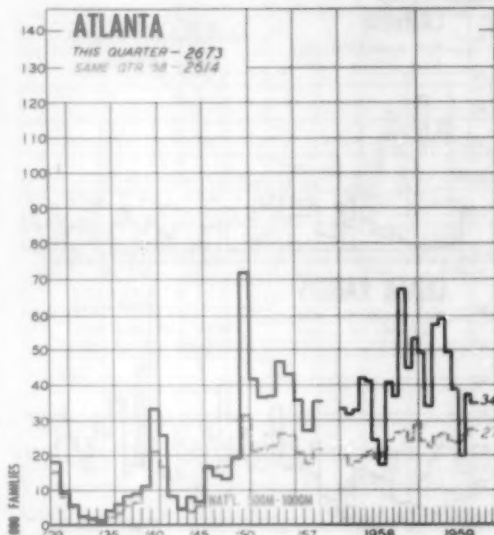
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NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH FOR 10,000 FAMILIES

# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

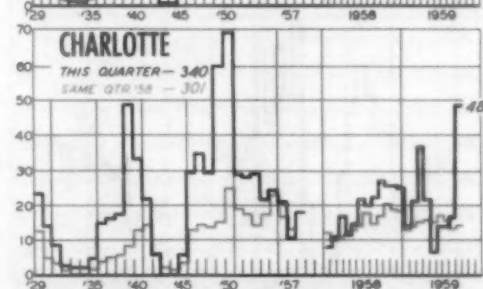
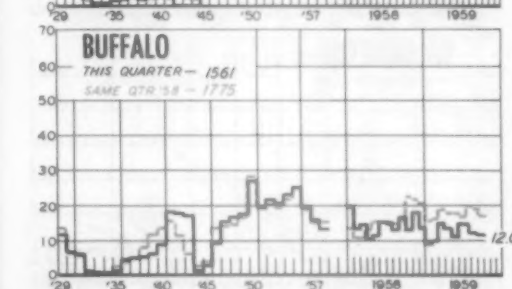
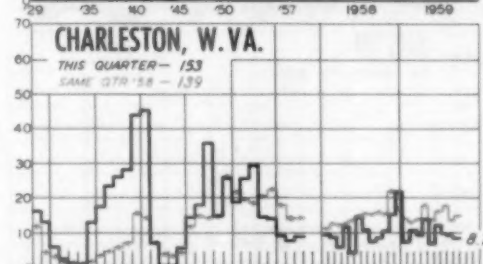
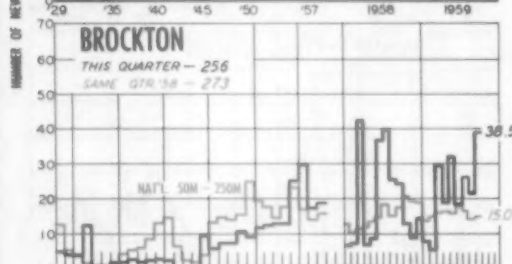
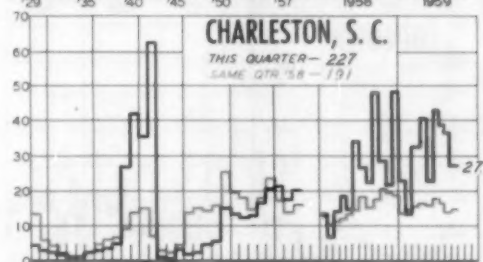
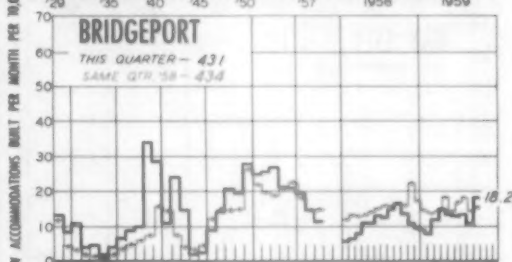
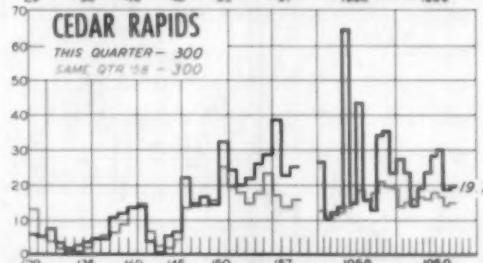
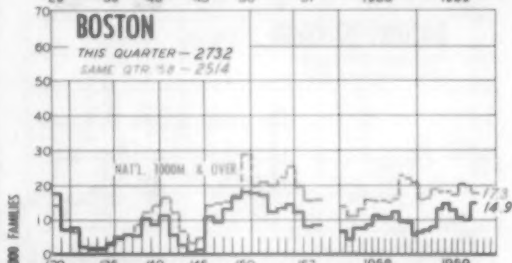
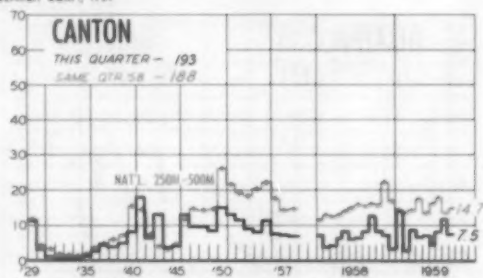
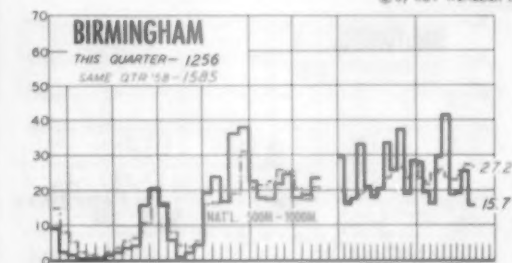
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# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

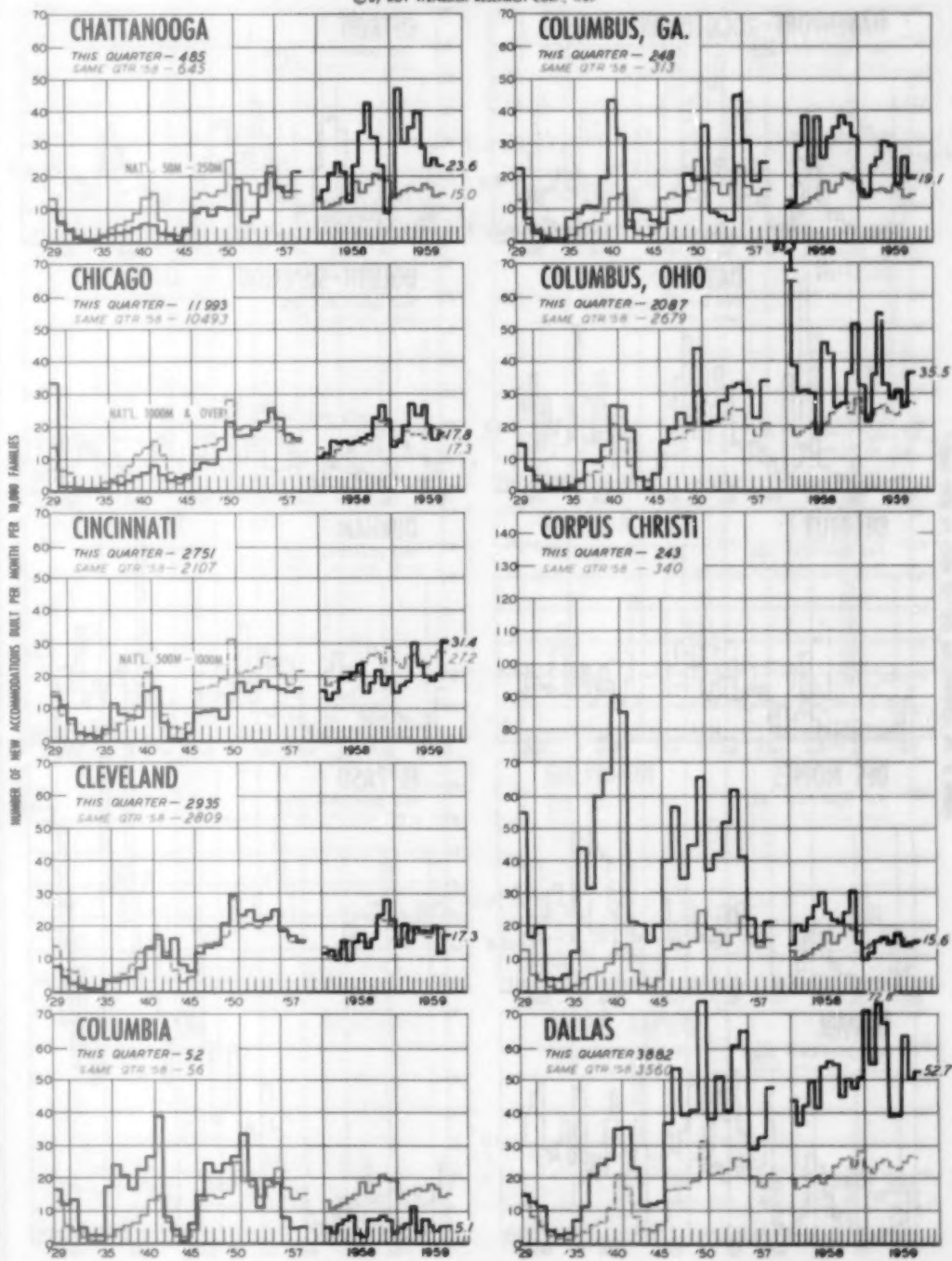
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NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES

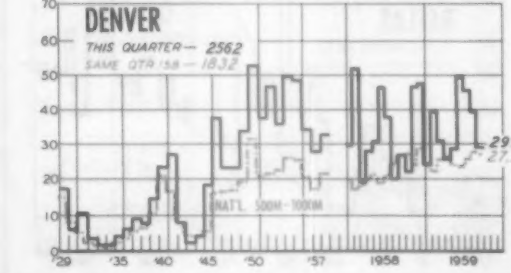
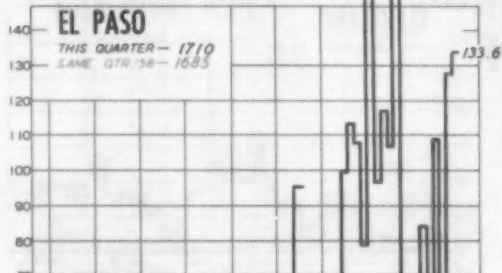
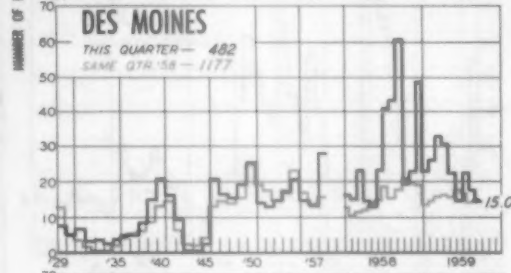
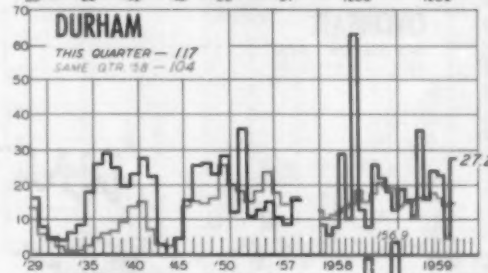
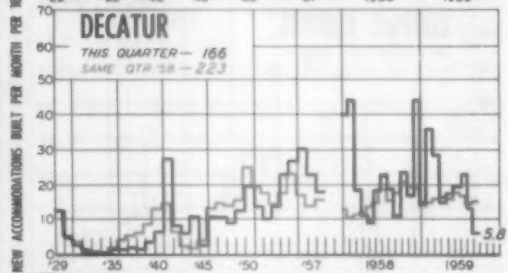
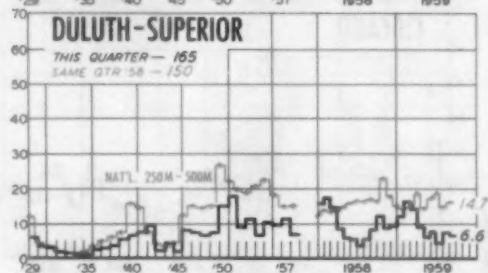
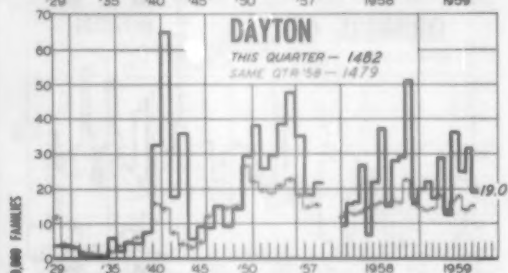
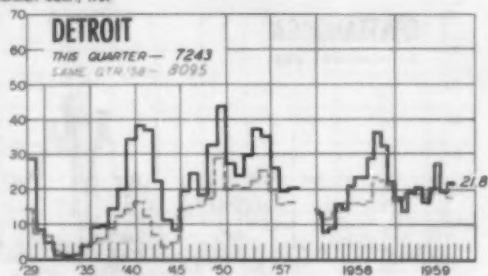
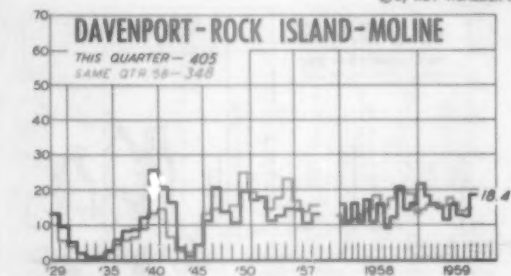
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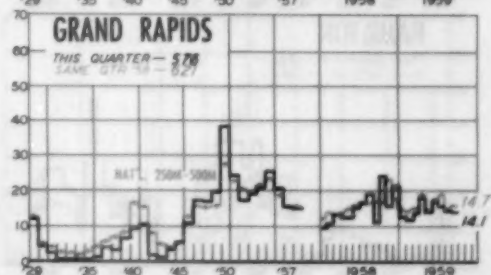
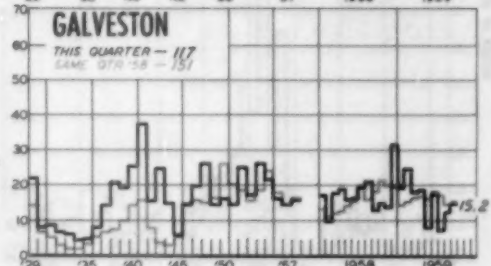
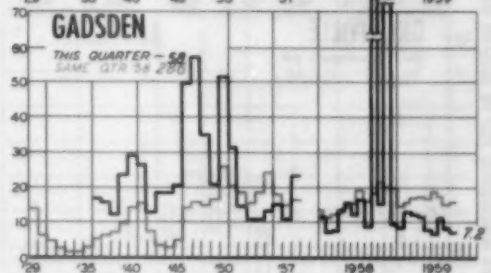
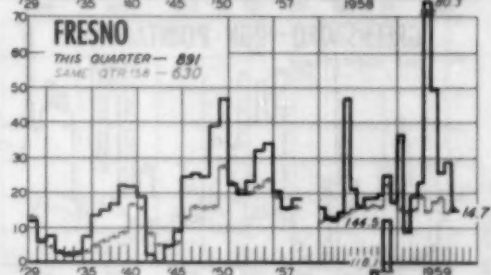
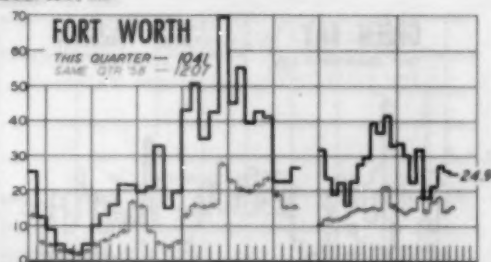
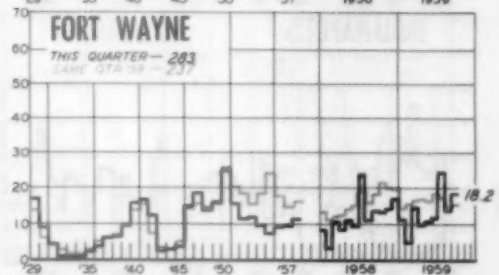
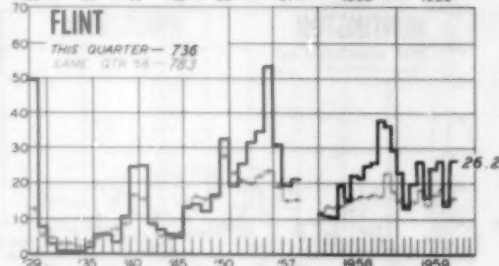
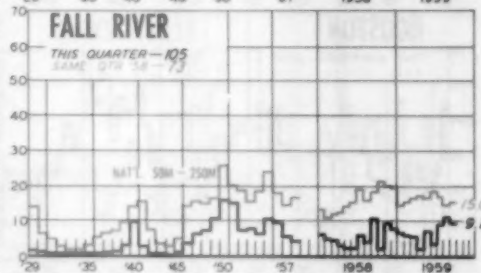
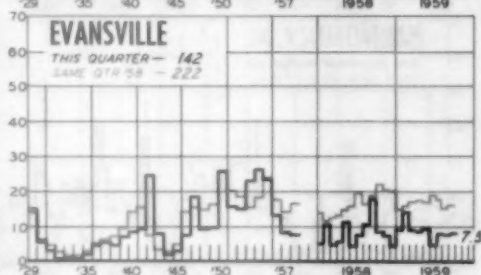
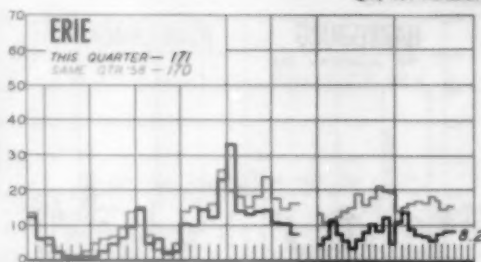




# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

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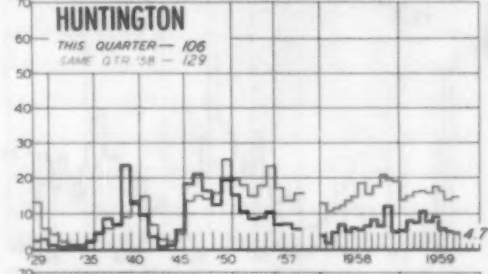
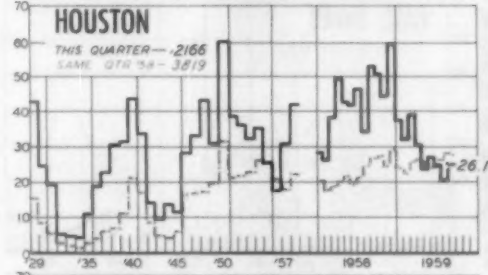
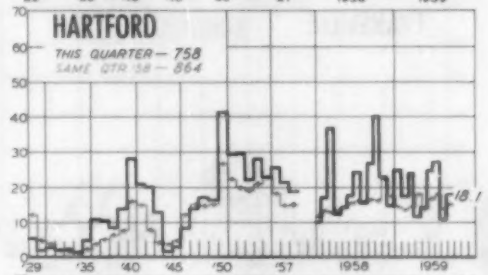
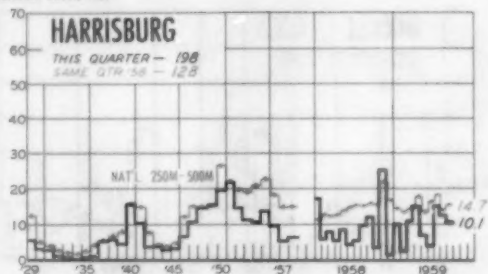
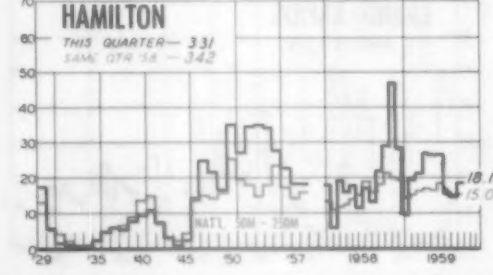
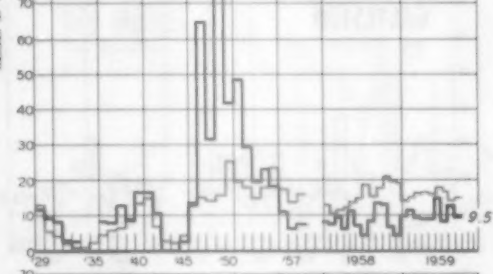
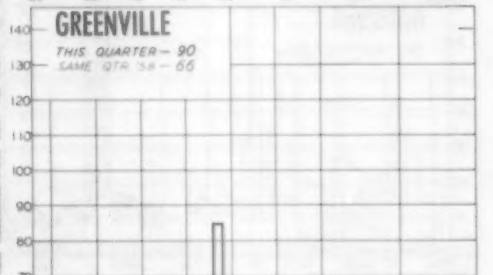
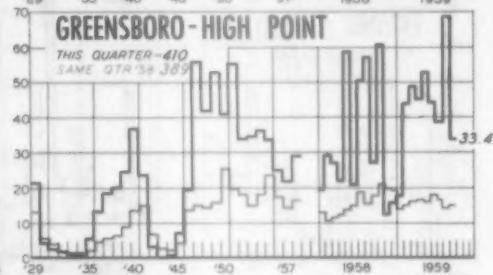
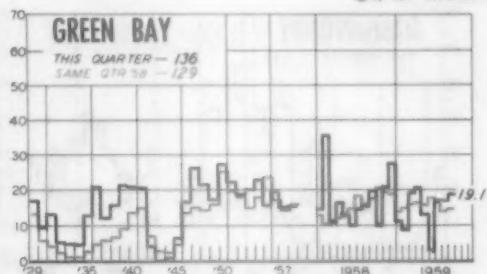
NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES



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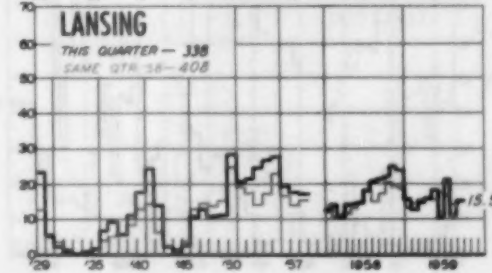
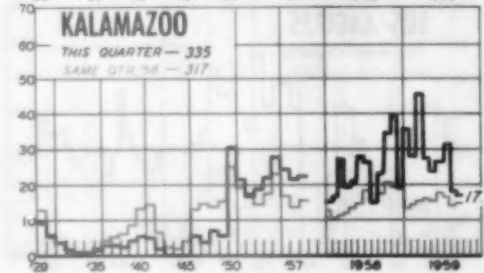
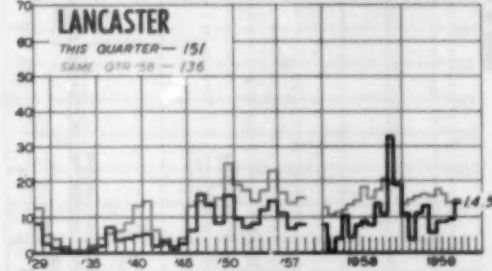
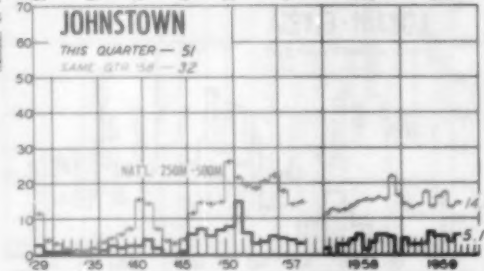
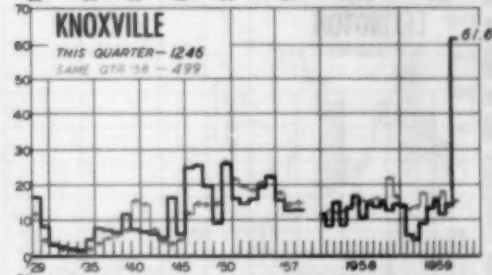
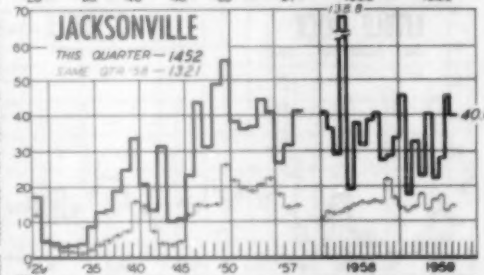
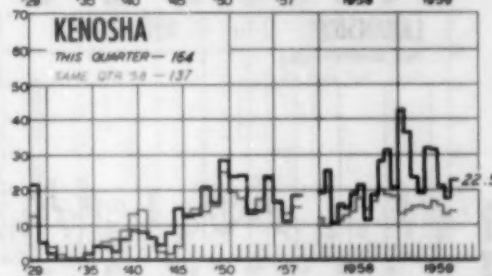
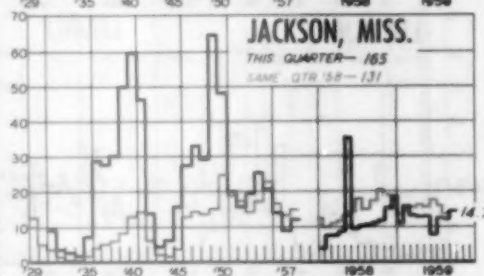
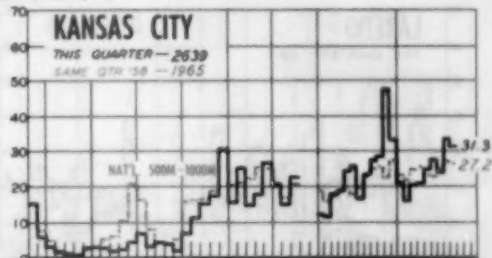
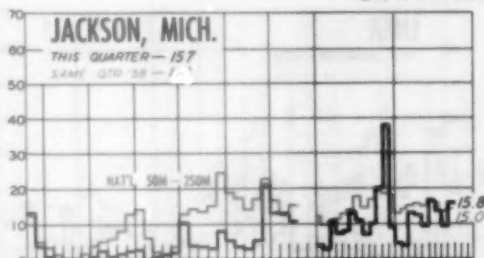
NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES



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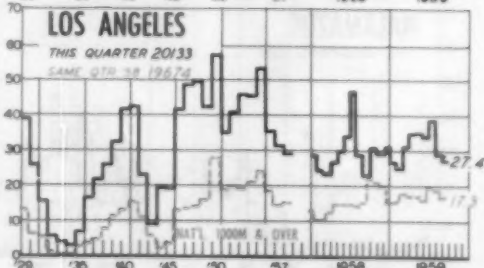
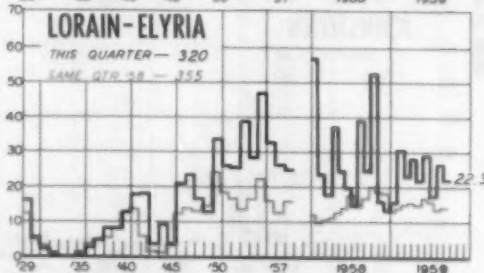
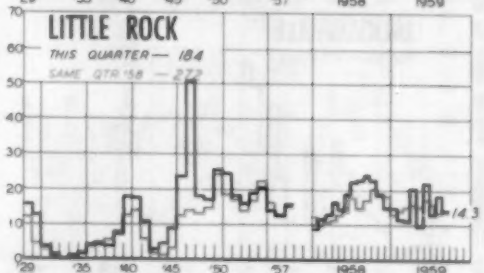
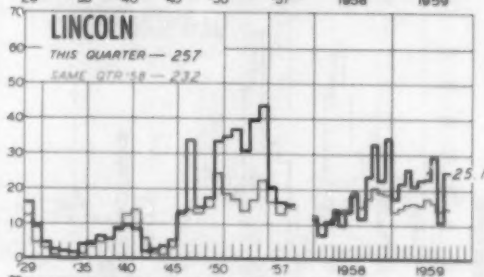
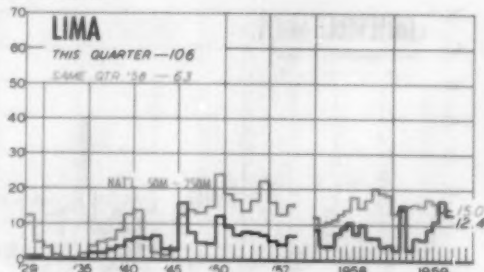
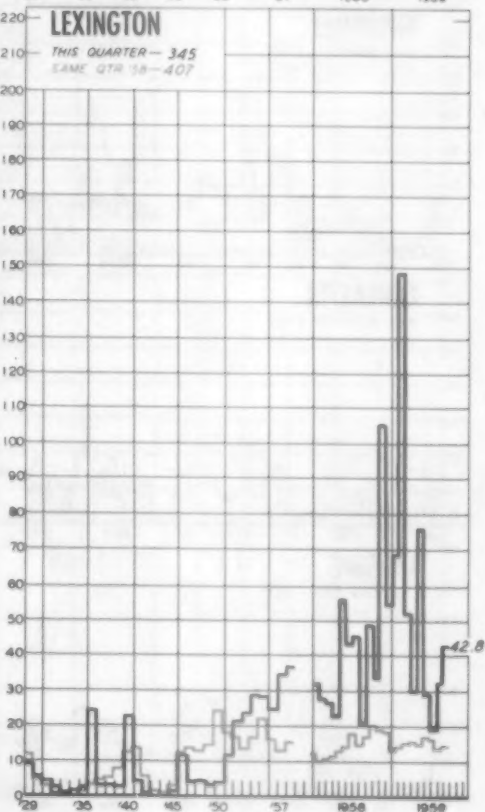
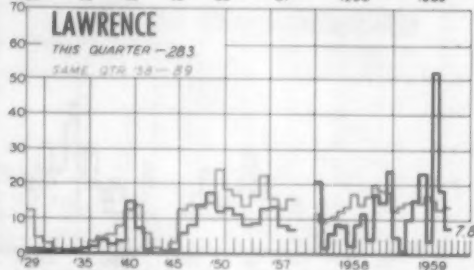
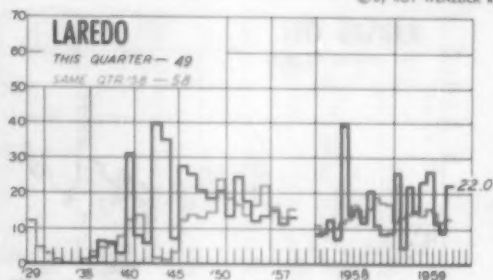
NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES



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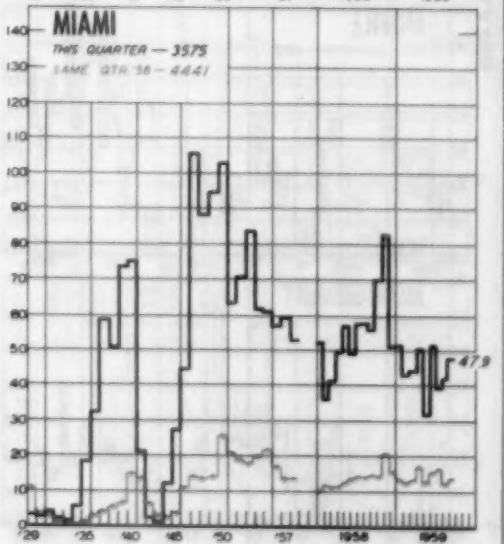
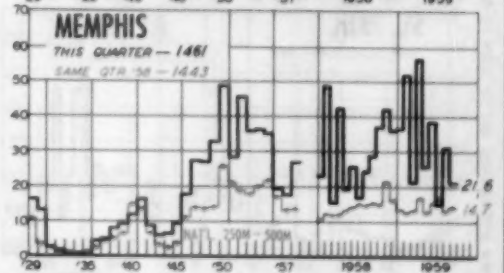
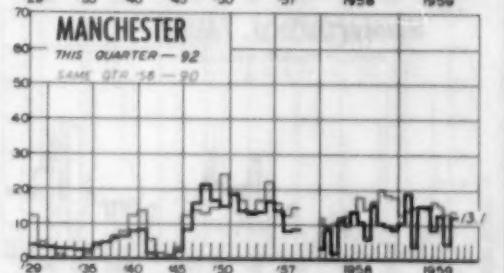
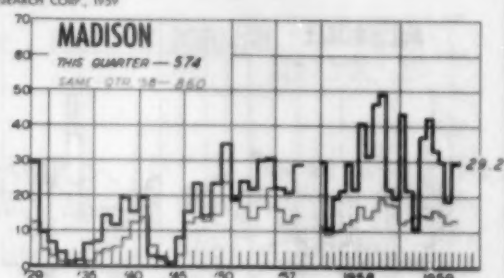
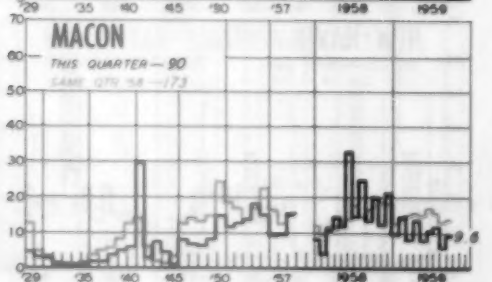
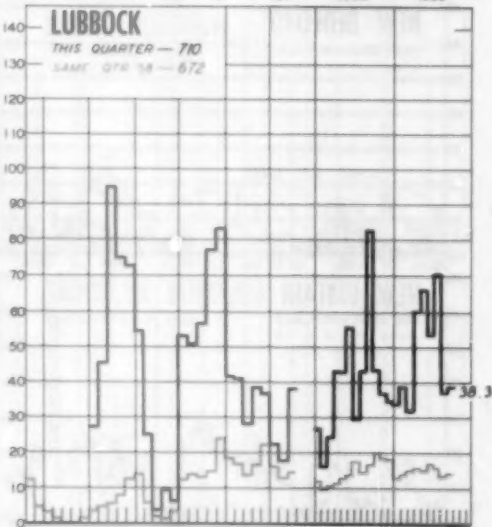
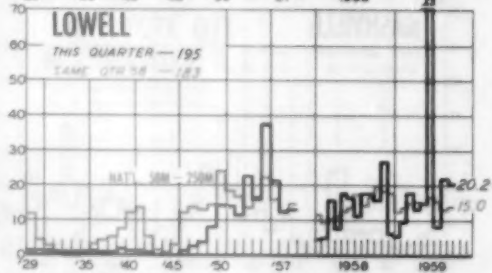
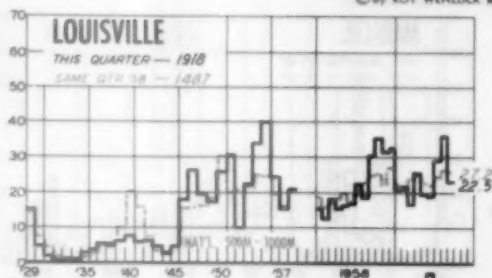
NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES



# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

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NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES

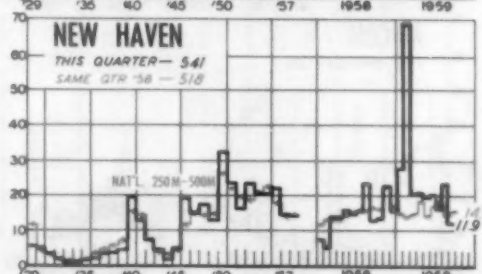
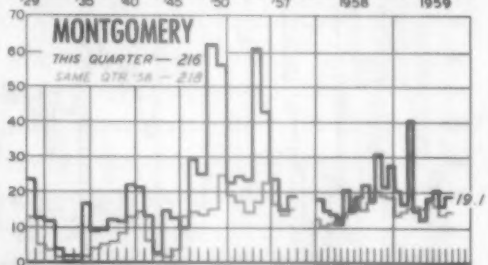
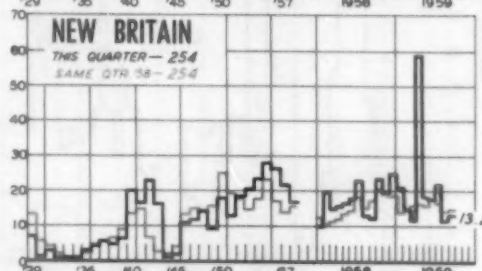
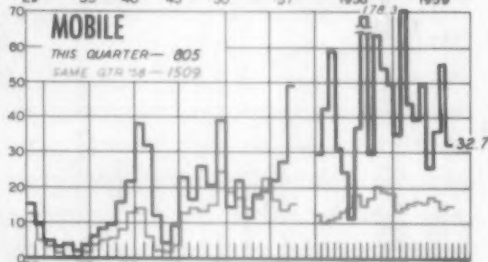
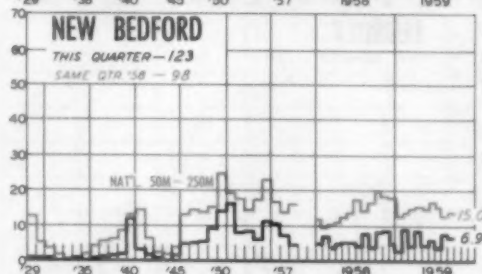
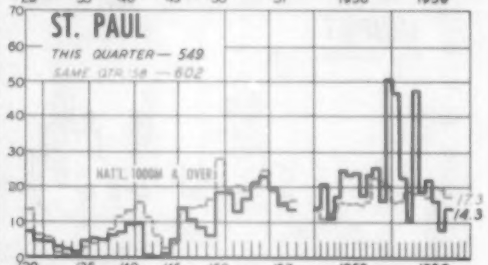
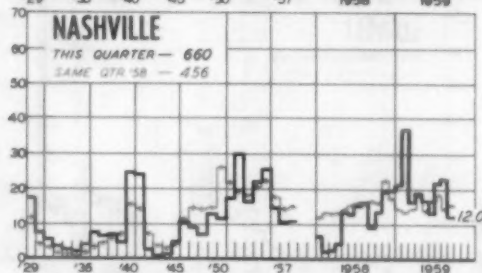
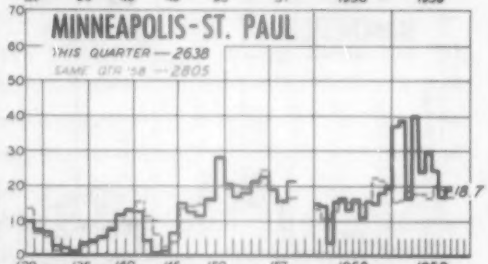
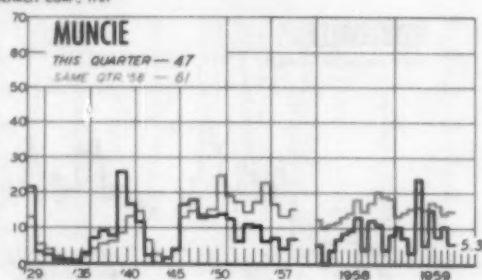
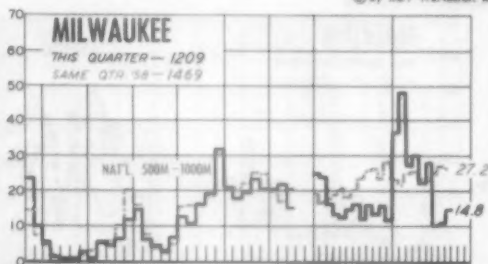




# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

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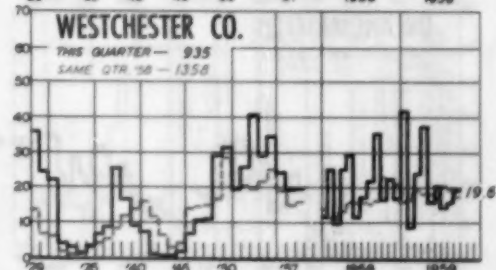
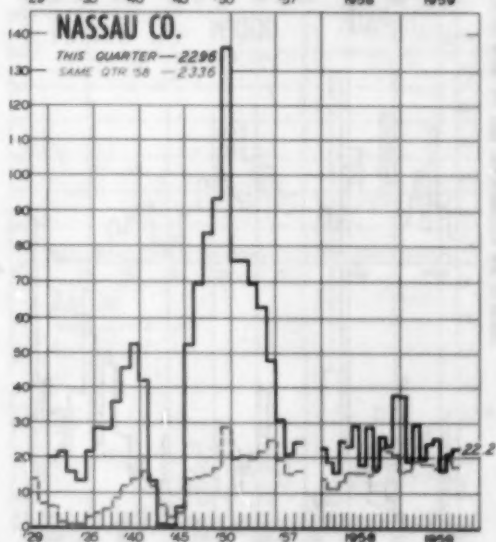
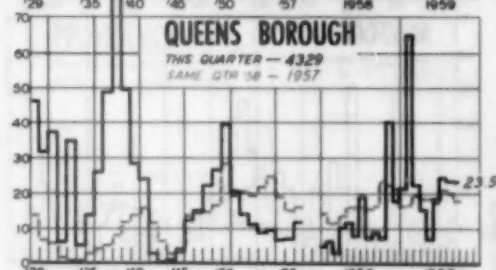
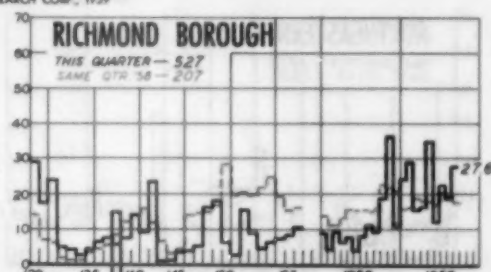
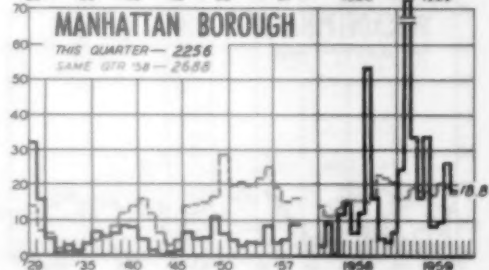
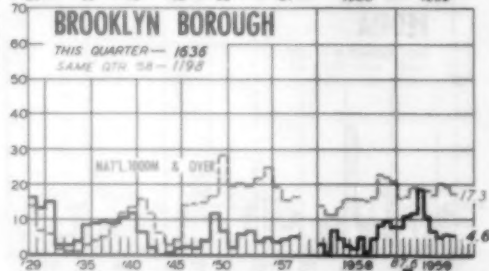
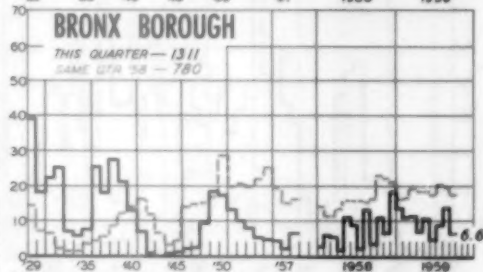
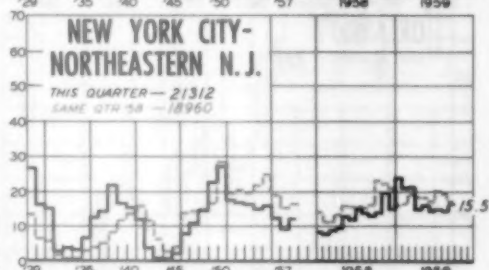
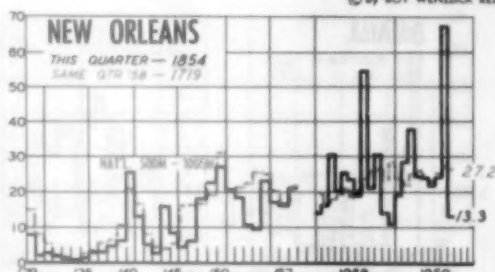
NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES



# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

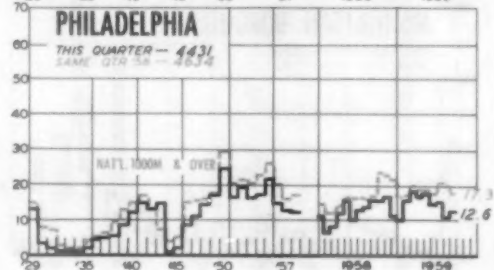
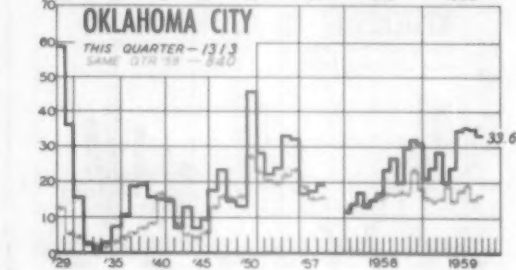
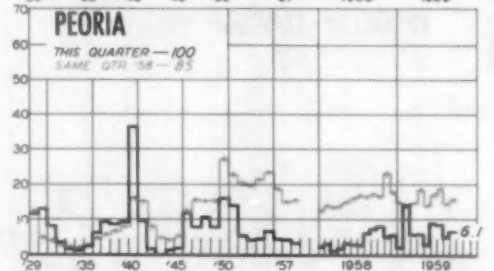
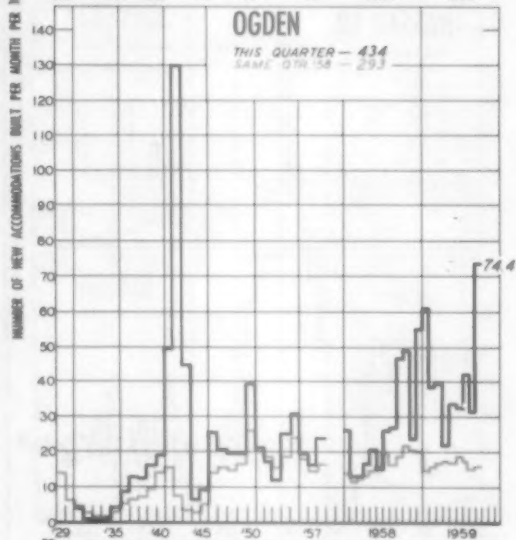
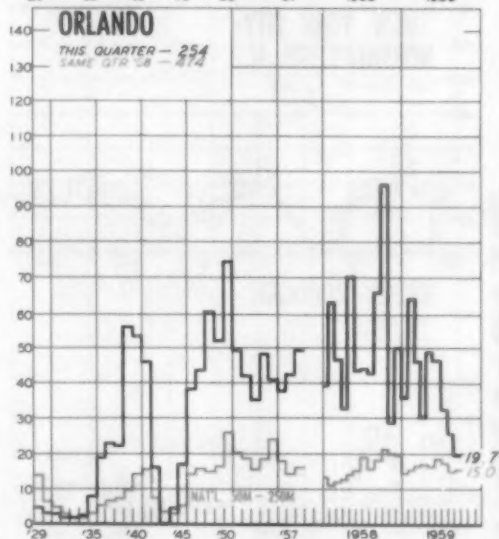
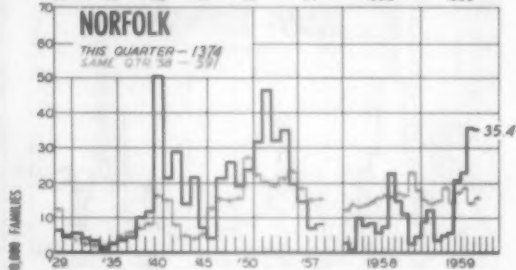
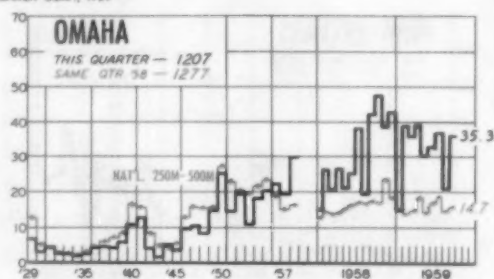
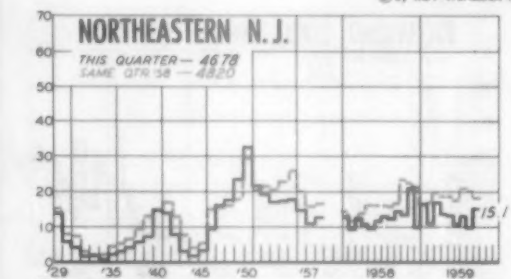
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NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES



# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

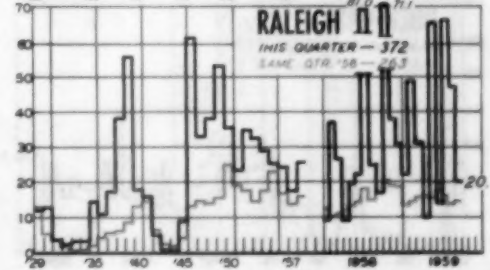
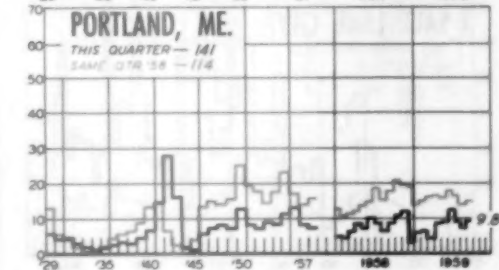
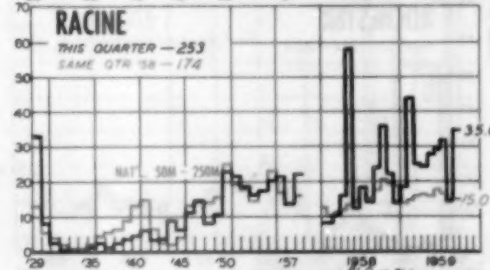
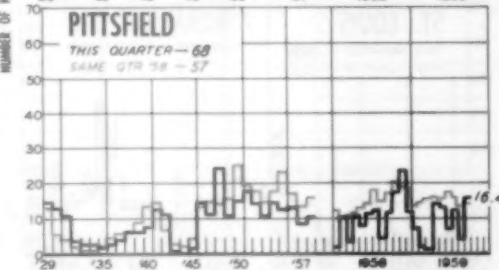
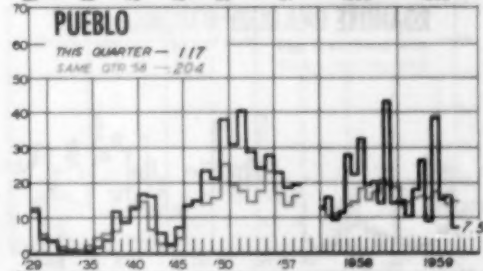
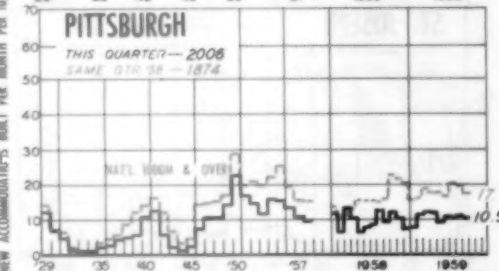
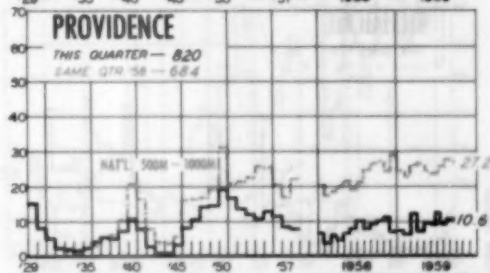
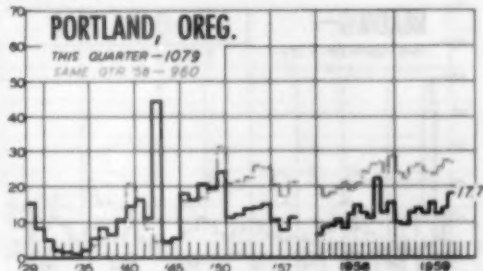
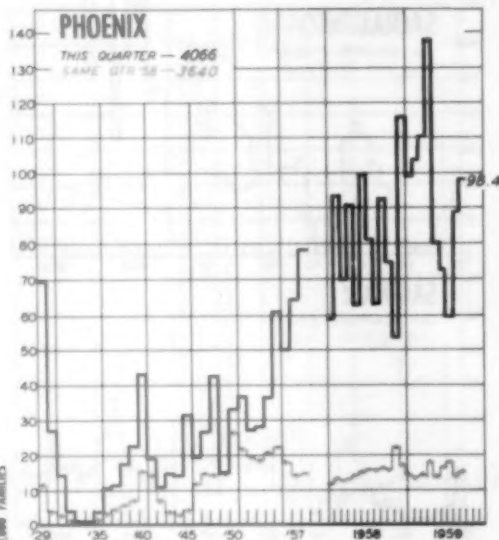
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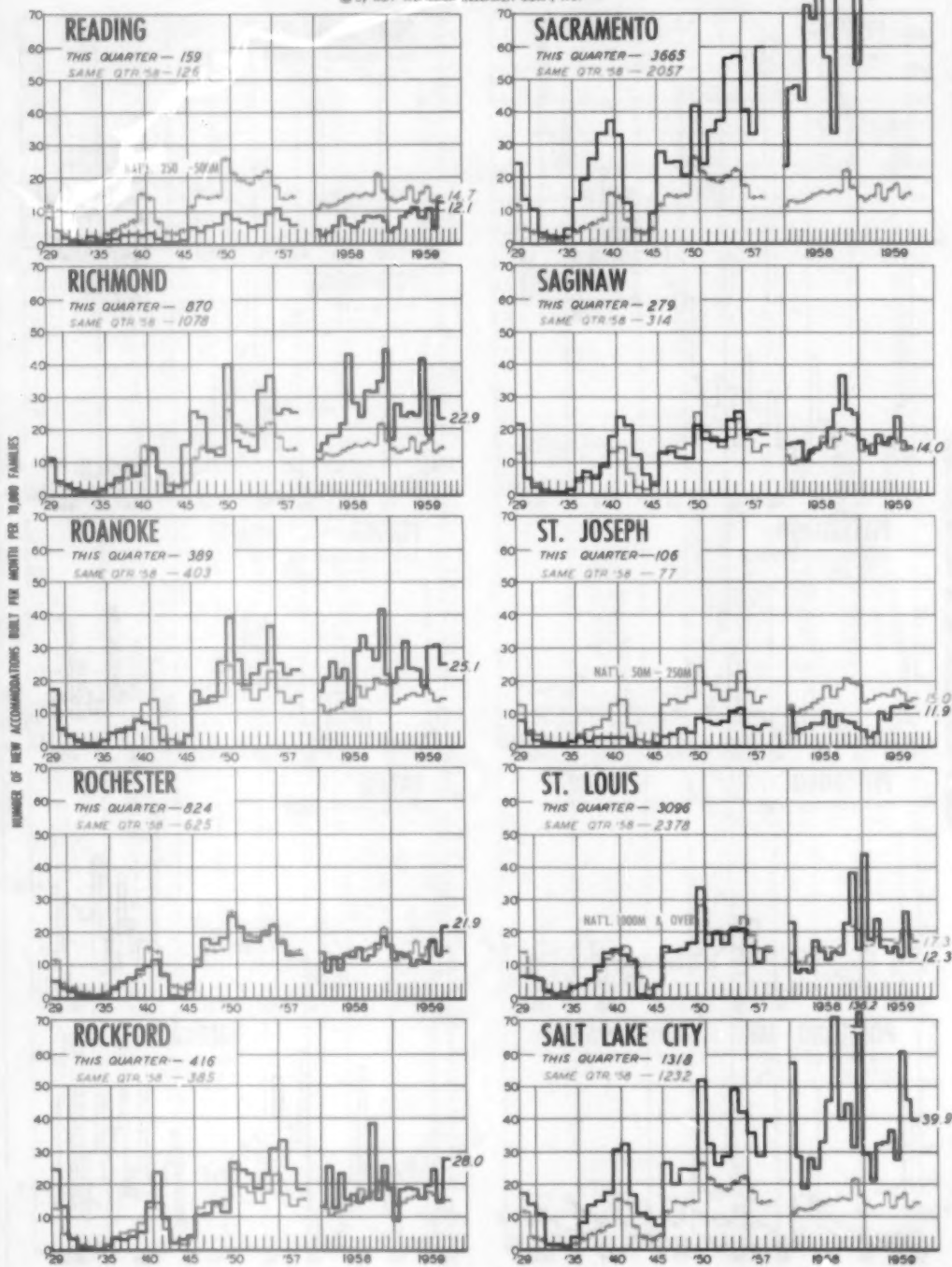
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NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES



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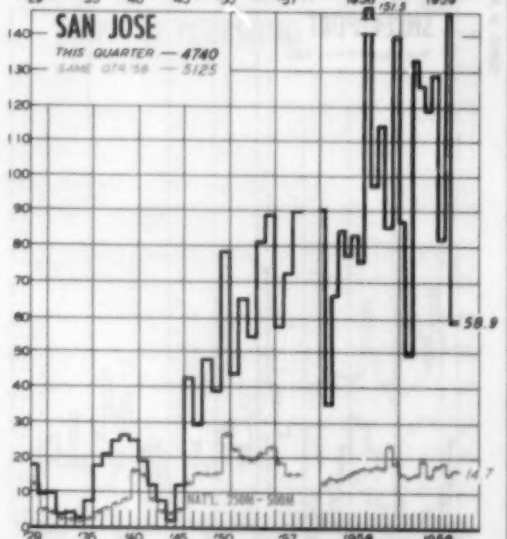
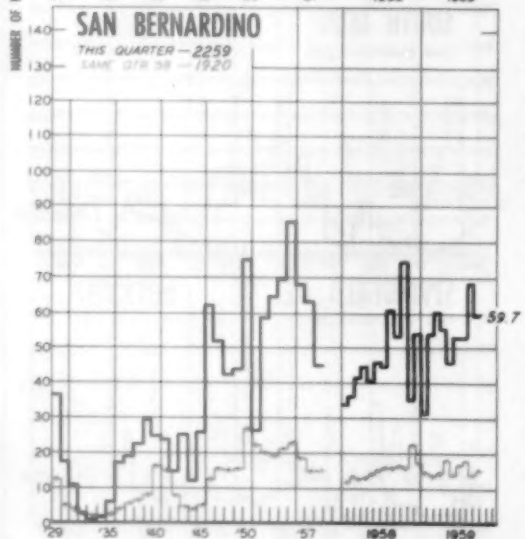
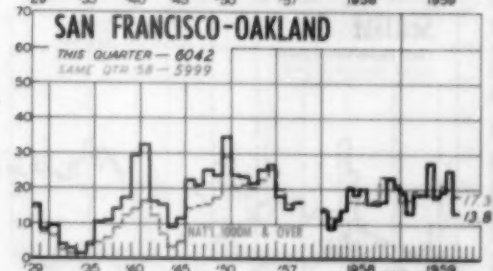
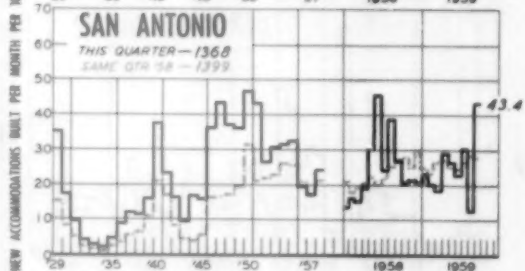
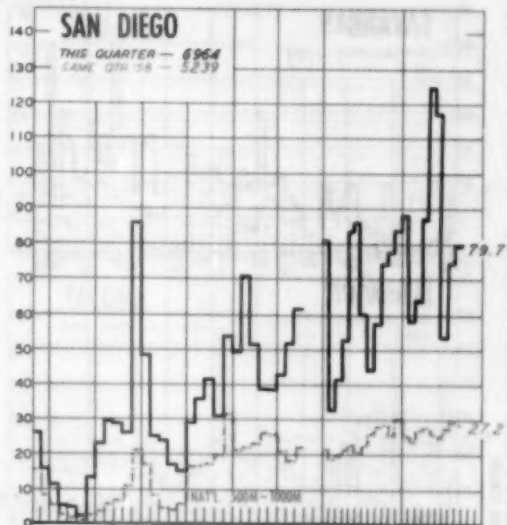
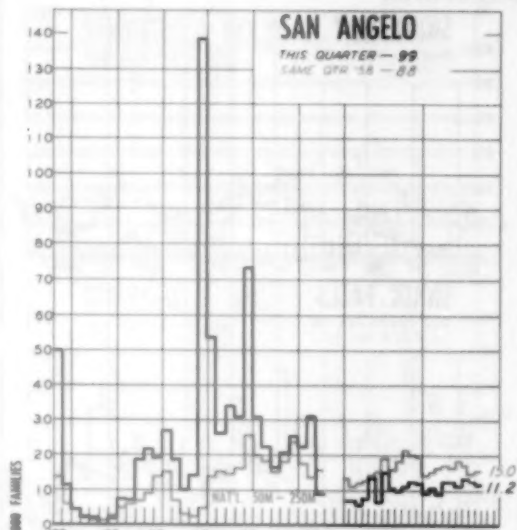
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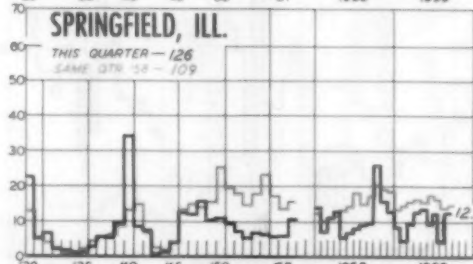
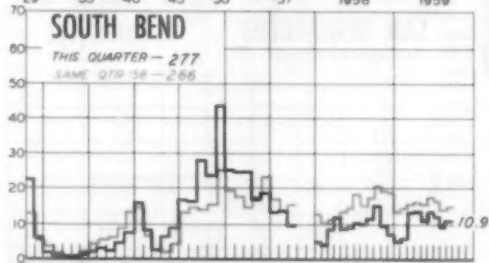
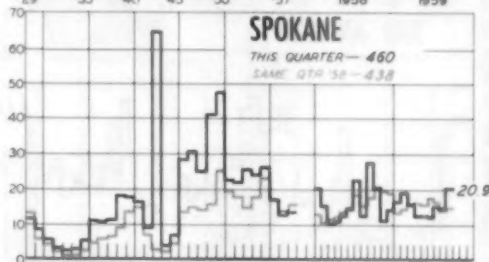
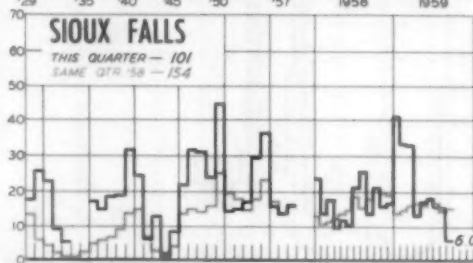
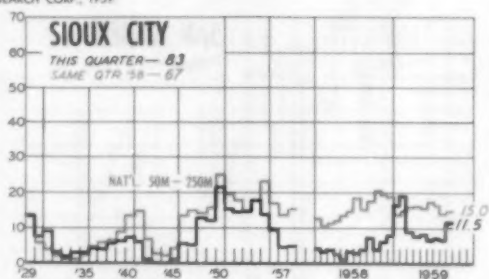
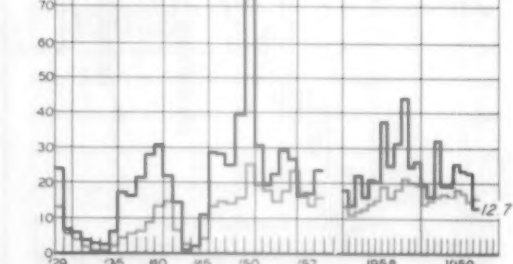
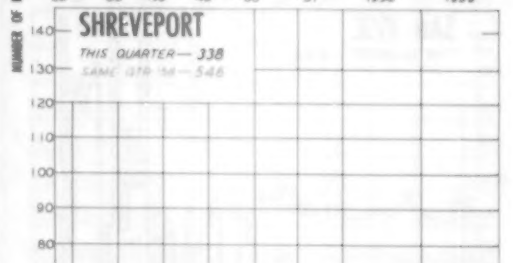
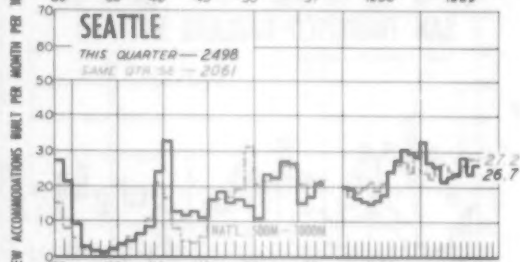
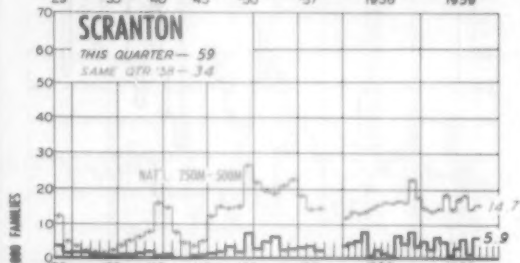
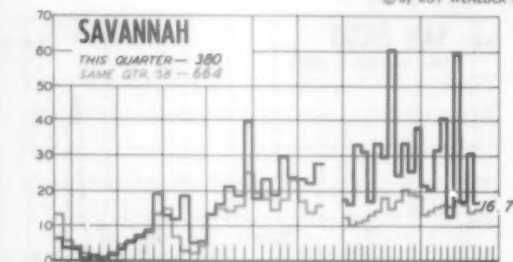
# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

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# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

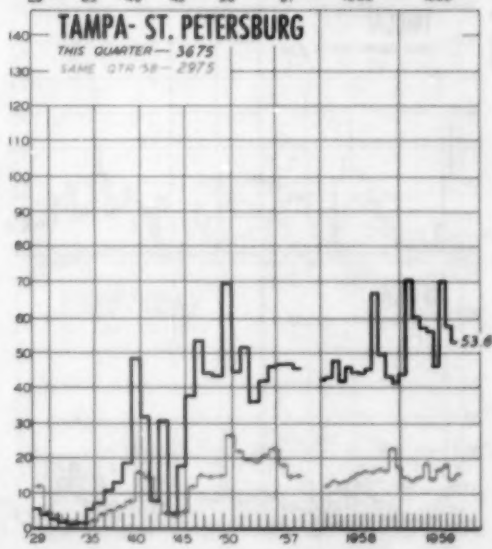
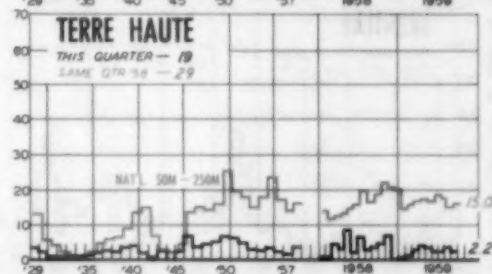
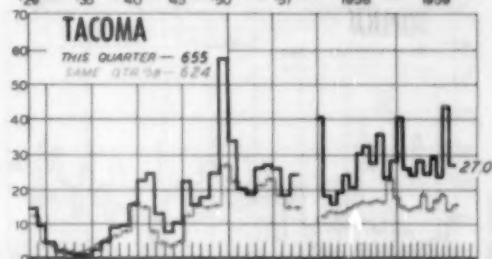
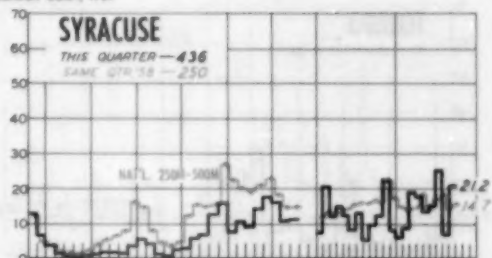
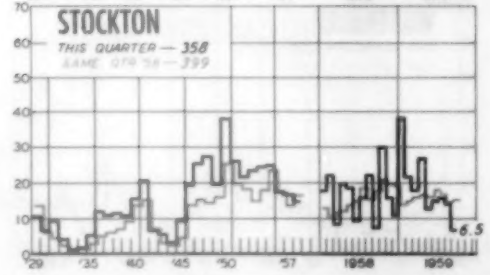
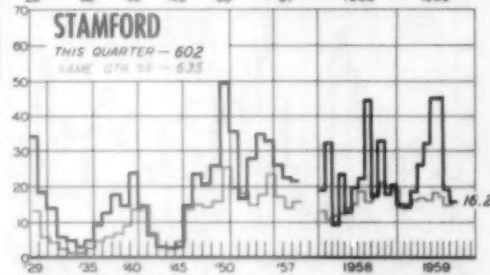
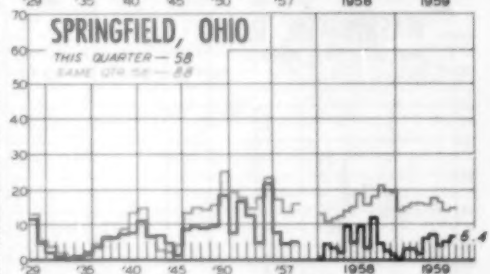
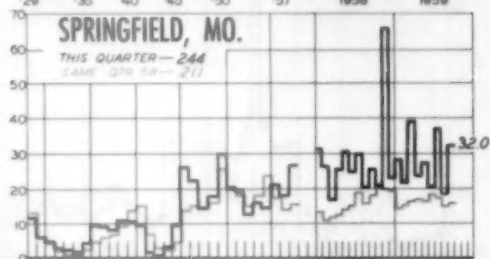
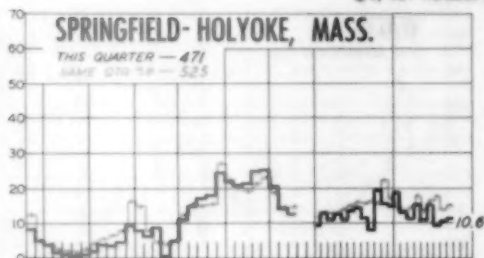
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# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

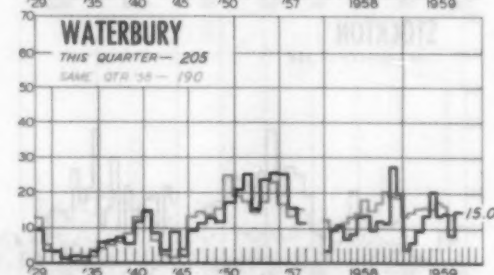
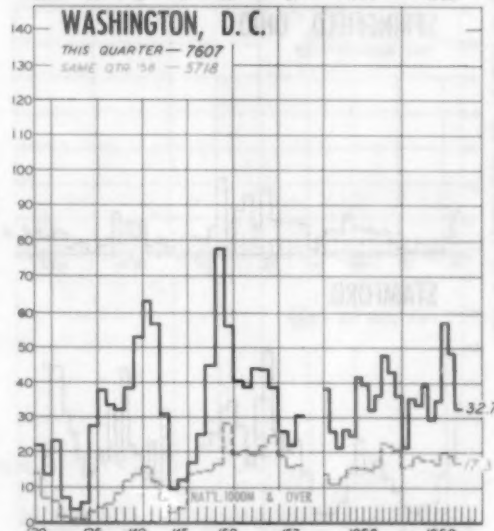
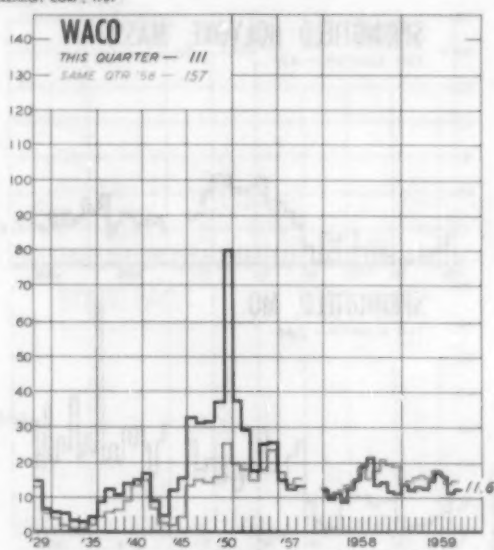
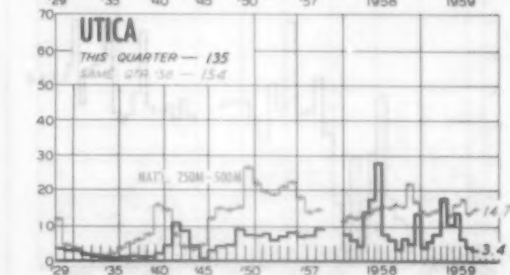
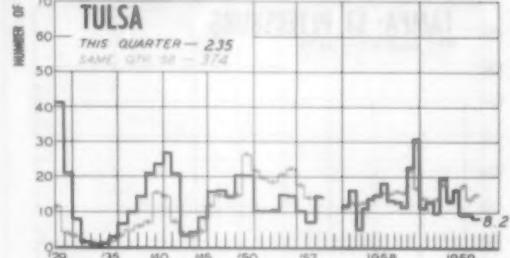
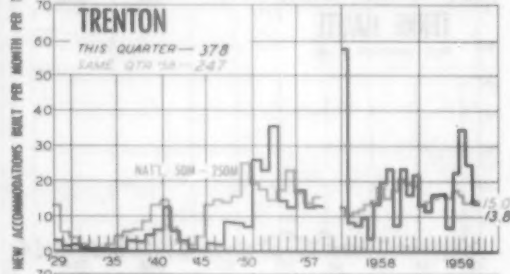
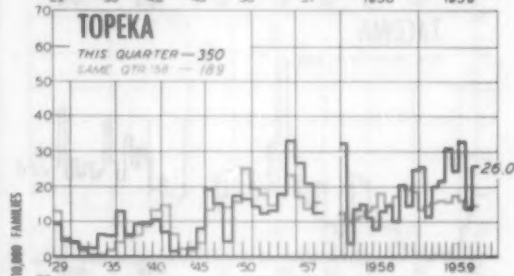
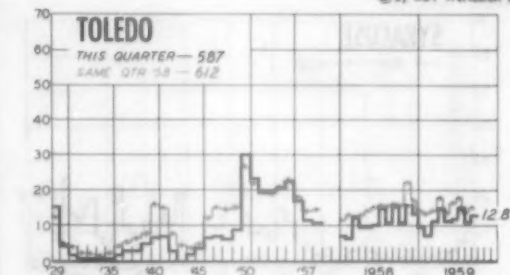
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NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES



# NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

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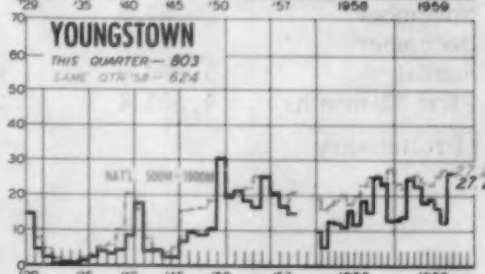
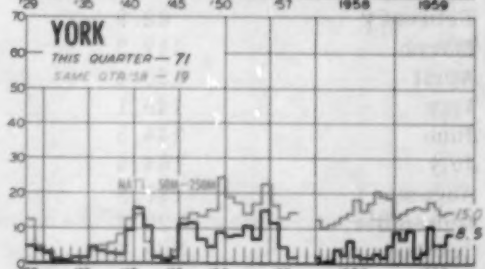
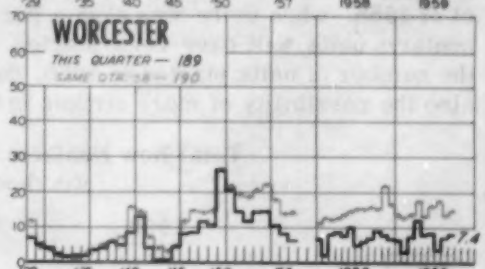
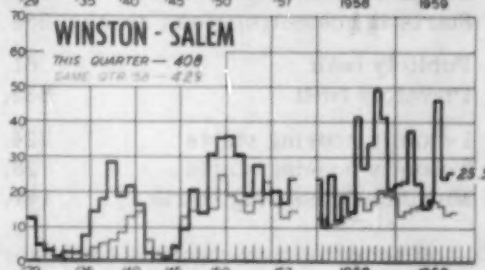
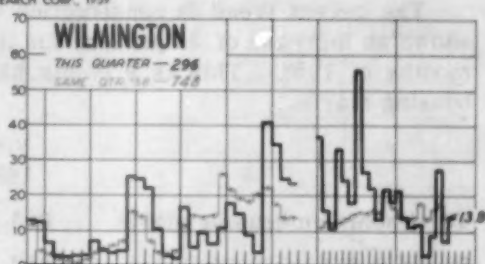
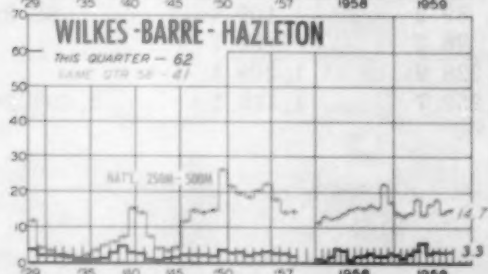
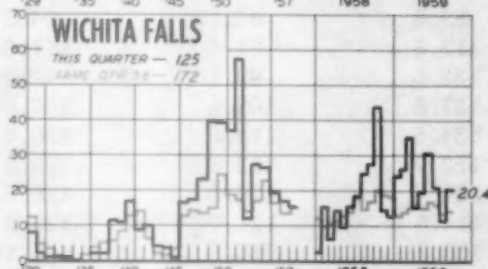
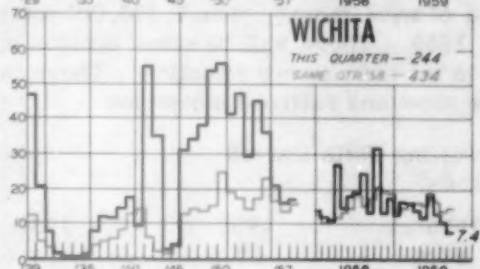
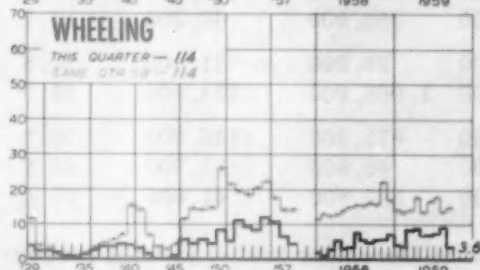
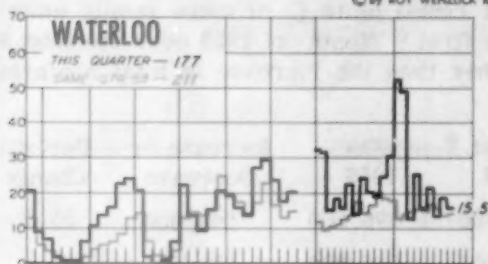


NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES

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NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES





(cont. from page 25)

The recent trend in construction of rental units (2 or more family units) shows an increase of 32 percent for the first 9 months of 1959 over the first 9 months of 1958. This is 9 points higher than the increase in total nonfarm housing starts.

	First 9 months		Increase or	Percent
	1958	1959	Decrease	Change
Total nonfarm housing starts	893,800	1,096,800	203,000	22.7
Starts in metropolitan areas	610,200	745,900	135,700	22.2
Starts in nonmetropolitan areas	283,600	350,900	67,300	23.7
Publicly built	61,700	29,900	-31,800	-51.5
Privately built	832,100	1,066,900	234,800	28.2
1-family housing starts	724,500	873,200	148,700	20.5
2-family housing starts	28,100	40,800	12,700	45.1
Multifamily housing starts	141,200	182,800	41,600	29.4

If total nonfarm dwelling units started in December hold to at least the level of 1955, when there was also a period of tight money, then 1,370,000 total nonfarm units will have been started in 1959. There will be some decline in the number of units started in 1960, due to the tight money situation. There is also the possibility of more strikes in the steel and railroad industries.

Total New Nonfarm Dwelling Units Started  
(in thousands)

	1950	1955	1958	1959
January	78.7	87.6	67.9	87.0
February	82.9	89.9	66.1	94.5
March	117.3	113.8	81.4	121.0
April	133.4	132.0	99.1	142.2
May	149.1	137.6	108.5	137.0
June	144.3	134.5	113.0	136.7
July	144.4	122.7	112.8	128.8
August	141.9	124.7	124.0	129.3
September	120.6	114.9	121.0	120.3
October	102.5	105.8	115.0	105.1*
November	87.3	89.2	109.4	92.3*
December	93.6	76.2	91.2	
Annual	1,396.0	1,328.9	1,209.4	
First 11 months	1,302.4	1,252.7	1,118.2	1,294.2*

\*Preliminary.

